

U. S. Department of Housing and Urban Development

Office of Public and Indian Housing

Special Attention of:	Notice PIH 99-53 (HA)
Public Housing Agencies;	
PIH HUBs; Program Centers;	Issued: 12/20/99
Public Housing Directors;	
Administrators; Office of	Expires: 12/31/2000
Native American Programs	

Subject: Notice for PIH Hub & PHAs on Y2K

1) Purpose

The purpose of this Notice is to remind Public Housing Agencies and Indian Housing Authorities, Tribes, and TDHEs (HAs) of the need to develop or review contingency plans to ensure operational continuity in the event of equipment and software failures in the Year 2000 (Y2K). HAs should also communicate to residents, Section 8 landlords and other participants in HUD programs of HA actions taken to prepare for Year 2000.

In addition, several of HUD's information systems will process data on January 1 and 2. To ensure the proper operation of these systems, PIH Hub, Program Center, and ONAP Area Offices (Hub/PC/ONAP) and a limited number of identified HAs will be required to prepare, enter, and submit data or transactions on those dates.

Under the terms of HAs contractual agreements with HUD, each HA has certain responsibilities for the proper maintenance of structures. Failure to take steps to deal with potential Y2K equipment and software problems puts in jeopardy the life, health, and safety of residents. It is this aspect that compels HUD to insist that adequate preparations are made by all HAs.

Hub/PC/ONAP offices must ensure that HAs have responded to survey requests for information and, based on the information provided, that HAs are prepared in the event of Y2K related failures. Hub/PC/ONAPs should also participate in the preparation of their local HUD office contingency plan to enable a reasonable level of service to continue in the event of Year 2000 problems.

2) Overview

Since HUD formed a Year 2000 project office in 1996, significant resources have been expended in preparing for January 1, 2000. HUD completed a comprehensive inventory of its information systems and renovated its non-compliant systems and components. Testing of our systems and components are on-going and will continue through Year 2000.

Additionally, HUD advised HAs of potential problems related to Year 2000 and provided instructions and guidance. In March 1999, a preparation plan entitled "Six Steps to Year 2000 Readiness" was introduced to HAs through a satellite broadcast. Subsequent to the broadcast, a video and accompanying workbook on Year 2000 readiness were distributed to all HAs. The workbook was also posted on HUD's web-site to allow additional access to the information.

Monitoring the progress of HAs in becoming Year 2000 compliant has been conducted by HUD through surveys distributed in April and June 1999. The analysis of the data collected from the April and June surveys reflects that many HAs may not be fully prepared. An additional survey was distributed to HAs in September 1999 regarding embedded microchips. The requested date for HAs to respond to the embedded microchips survey, October 22, was extended to November 8, 1999.

3) Final Months of 1999 for HAs

A. HA Preparation

While these efforts have been taken to ensure that any Year 2000 related problems will result in only minor disruptions to regular operations, workaround/contingency plans must be in place to ensure that the life, health, and safety of residents will not be jeopardized should an emergency situation occur. By following the "Six Steps" program, these areas should be thoroughly addressed in making Year 2000 preparations. However, the implementation of the "Six Steps" program was a recommended approach that has not been followed by all HAs.

Each HA must have a workaround plan. If a plan has not been prepared, immediate actions should be taken to have a plan completed by December 20, 1999. Instructions for the preparation of a Potential Failure Scenario Workaround Plan are contained in step five of the six step plan. The plan should identify the critical staff members that will be available during that period. The critical staff should be prepared and empowered to make decisions should an emergency situation occur. The creation of a time line that details the planned activities from December 28 through January 7 should also be considered. (This is the time period that HUD has identified as being critical and most likely to expose significant Y2K problems.)

HAs that prepared their plans more than 3 months ago should review those plans to affirm that the scheduled actions appear reasonable, achievable, and that those actions will produce the expected results. The involvement of HA residents and/or resident councils in a final review of the plans may be helpful in the identification of other risks perceived by them and the actions required to address those risks.

In conjunction with your workaround plans, the following items should be considered:

1. Inform all residents of the actions taken or planned by the HA to prepare for potential Y2K problems. In addition, provide residents with written instructions on what to do and who to call in the event of an emergency. This could include HA emergency phone numbers as well as other useful consumer phone numbers such as police, fire, utilities, and the Red Cross. Encourage residents to prepare a disaster supplies kit. (Information on the contents of a disaster supplies kit and a sample letter to residents can be found in step 1 of the 6 step plan). Obtain the brochure Y2K, What You Should Know from your local Red Cross office and distribute to all residents.
2. Share/coordinate your workaround plan with local governmental officials. Obtain a copy of the local government's contingency plan and determine how both plans will complement each other.
3. Communicate with Section 8 landlords to inform them of actions taken to prepare for Year 2000. Encourage them to prepare in the event of Y2K failure and to keep their residents informed. A sample letter to section 8 landlords is attached.
4. Maintain a current list of critical telephone numbers that may be needed in an emergency situation. That list could include:
 - HA staff that will be in office or on-call
 - Police
 - Fire
 - Utilities - Electric, Gas, Water/Sewer
 - Telecommunications - local and long distance service provider
 - Maintenance providers - elevator, electrical, plumbing
 - Building security systems providers
 - Healthcare providers - hospitals, ambulance service, medical clinics
 - Computer suppliers - hardware, software
 - Elected officials - Mayor, County Executive, County Council members
 - Local Red Cross or other emergency relief organizations
 - Local HUD office

A copy of your critical telephone numbers should be submitted to your servicing HUD Public Housing Hub Office, Program Center or ONAP Area Office to the attention of the Year 2000 coordinator by December 20, 1999.

B. HUD Systems Test

HUD will continue the testing of information systems as identified in the Department's Day One Plan. Several of those tests require HAs to submit data or conduct transactions in order for the tests to be completed. HUD will identify a limited number of HAs to participate in these tests.

HAs selected to participate will be requested to provide information and/or conduct a transaction for two specific systems: 1) Voice Response System/Letter of Credit Control System (VRS/LOCCS) and 2) Multifamily Tenant Characteristics System (MTCS). For HAs that submit MTCS information differently for public housing and section 8 program participants, test data will be requested from both.

In general, the HAs transactions will take place on January 1 and 2, beginning at Noon and concluding by 3 PM each day (local time). Assistance will be available from Noon to 6 PM EST on those dates from: 1) the MTCS help desk at 1-800-366-6827 and 2) the User Assistance help desk at 202-708-3300. HUD will process the data submitted during normal overnight cycles as part of the testing process. Additional information on the testing will be provided to the participating HAs.

The submission of information for VRS/LOCCS and MTCS should be concluded by all HAs by December 30 at 5 PM EST. HAs are also advised not to submit requests for help on these systems to the PIH electronic mailboxes between December 30 at 5 PM EST and January 3, 2000 at 9 AM. Request for assistance should be made through the help desks during the time periods identified above.

During the Day One period, HUD will also be testing HUDCAPS, our accounting system. The uses of this system include the reservation and payment of funds for Section 8 program participants. While HAs will not have an active role in the testing of HUDCAPS, the Financial Management Center (FMC) will utilize staff in various FMC locations to establish payment requests for a limited number of Section 8 program participants, including public housing and multifamily housing. These payments will be selected by the FMC and HAs will be advised if they are scheduled to receive payments as part of the FMC test. (HAs other than those participating in the MTCS and VRS/LOCCS testing may be scheduled to receive the payments.)

4) Final Months of 1999 for Hub/PC/ONAPs

Each local HUD office (at the direction of the Secretary's Representative, Senior Community Builder, etc.) should be preparing a business contingency plan. It is envisioned that each plan will include most aspects of the office's normal operations and the delivery of program services. Each Hub/PC/ONAP should designate a staff member (Y2K coordinator) to coordinate the Year 2000 final efforts, if one has not been designated. Hub/PC/ONAP staff should anticipate the level of local PIH services that are deemed "critical" and begin formulating actions that may be necessary, should business operations be disrupted, to be included in the local HUD office plan.

In addition to the local office plan, the Hub/PC/ONAPs should be aware of the progress of HAs in becoming Year 2000 compliant. This should include monitoring the receipt of critical telephone numbers from each HA. These critical telephone numbers should be available to the appropriate staff during the Y2K critical dates between December 28 and January 7.

Under the coordination of HUD's Team 2000, contingency plans are being finalized and a "Day One" plan of action is being prepared for activities from December 28 through January 7. Although no problems are anticipated in fund disbursements, some routine payments to HAs that would normally be disbursed in early January 2000, are planned to be disbursed in late December 1999 as a precautionary measure. Hub/PC/ONAPs are encouraged to counsel HAs to adequately plan for January 2000 funding needs and take appropriate actions in late December 1999, as existing program guidelines will allow.

Included in the Day One plan will be the testing of various systems or applications that will require the involvement of Hub/PC/ONAPs and HAs. While all Hub/PC/ONAPs will be involved in these tests, the identification of the HAs to assist in testing have not been finalized. The PIH testing on January 1 and 2 will identify general tasks and the approximate time frames in which these tasks should be conducted. These tasks will be primarily focused on activities involving disbursement of funds and transactions involving the electronic submission of data from HAs directly to HUD. The successful accomplishment of the tasks on January 1 and 2 should allow HUD to evaluate the status of our operations in order to resume normal business activities on January 3, 2000.

While HAs are submitting data or conducting transactions on January 1 and 2 as noted above, servicing Hub/PC/ONAPs should have an appropriate number of staff available to provide assistance if requested. During that same period of time, field offices will be required to conduct transactions (add, modify, or delete data) for each module of the IBS. These transactions will provide data to facilitate normal daily batch computer runs for the evenings of January 1 and 2. Errors or problems noted during this period should be provided to the help desk for technical assistance.

In addition to staff being available to provide assistance to HAs and to conduct IBS transactions, Hub/PC/ONAP Directors or their designee will be

required to provide general status information on HAs within their jurisdiction and on local office operations. Specific instructions on status reporting will be provided separately.

5) Concluding Thoughts

Your continued attention to the Year 2000 problem is essential. Comprehensive planning by the HAs and HUD will allow for a responsible level of service to continue should problems related to Y2K occur. HAs should consult the "Six Steps" plan for guidance on preparedness. The "Six Steps" plan can be found on the HUD Internet web site at:

<http://www.hud.gov:80/cio/year2000/fronth1.html>

Additional information on Y2K can be found at many sites on the Internet, including:

- President's Council on Year 2000 Conversion: <http://www.Y2K.gov>
- Federal Government's Gateway for Year 2000 Information Directories: <http://www.itpolicy.gsa.gov/mks/yr2000/y2khome.htm>.

/s/

Harold Lucas, Assistant Secretary
for Public and Indian Housing

Sample Letter to Section 8 Landlords from PHAs

Thank you for helping to keep housing affordable through your continued participation in the Department of Housing and Urban Development's (HUD) rental assistance programs. As we transition to a new century, I wanted to provide you information regarding actions being taken to address potential Year 2000 (Y2K) problems.

Since HUD formed its Year 2000 project office in 1996, significant resources have been expended in preparation for Y2K. All of HUD's mission critical and non-mission critical systems completed:

- Renovation on September 25, 1998
- Certification on January 28, 1999, and
- Implementation on March 31, 1999.

HUD's testing of their systems and components are on-going and will continue through Year 2000. No disruptions in customer service or fund disbursements are anticipated.

Our agency has also prepared for potential Y2K problems by taking the following actions:

(Each HA should briefly describe the actions that they have taken in preparation for Y2K. By doing so, landlords/project owners that are participating in the HUD funded programs can be assured that preparations have been made to reduce the possibility that they will experience a disruption in service from the HA or a delay in receiving the housing assistance payments on behalf of the residents.)

We hope that you have developed your own contingency plan in preparation of Year 2000. If not, you still have time to take action. A plan entitled "Six Steps to Year 2000 Readiness" is available through the HUD web site at:

<http://www.hud.gov:80/cio/year2000/fronth1.html>

Please share applicable portions of your plan with your residents. While it is anticipated that basic utilities such as electric, heat, water, and telephone will be working, some scattered outages and problems could occur. Encourage residents to prepare a disaster supplies kit should an emergency situation occur. (Information on the preparation of a disaster supplies kit is contained in the "Six Steps" plan or you can obtain one from your local Red Cross office.)

I appreciate your attention to the Year 2000 issue and the corrective or preventive actions taken to address those issues. The better informed and prepared we are, the easier the transition should be for all of us.

Sincerely,

Executive Director *(or appropriate official)*
Housing Authority of *(Insert Name Here)*